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Before the FEDERAL COMMUNICATIONS COMMISSION Washington D.C. 20554

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Tariff Filing Requirements for Nondominant Common Carriers

CC Docket 93-36

FEDERAL

OPPOSITION OF SPRINT

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Sprint Communications Company L.P. ("Sprint"), pursuant to Section 1.429(f) of the Commission's Rules, 47 CFR \$1.429(f), opposes the petitions by Bell Atlantic and SBC Communications Inc. ("SBC") seeking reconsideration of the Commission's Order, FCC 95-399 released September 27, 1995 in the above-referenced proceeding ("September 27 Order"). Sprint respectfully requests that such petitions be denied and in support thereof states as follows.

The Commission's September 27 Order is, for the most part, a "housekeeping" item. With the exception of the provision allowing nondominant carriers to file rate ranges instead of fixed rates -- the provision struck down by the D.C. Circuit's decision in Southwestern Bell Corporation v. FCC, 43 F.3rd 1515 (D.C. Cir. 1995) ("Southwestern Bell") -- the September 27 Order restores the rules further streamlining "the form, content and notice requirements for tariffs filed by domestic nondominant common carriers," id. at ¶4, which were adopted by the Commission in its Memorandum Opinion and Order, 8 FCC Rcd 6752, issued

No. of Copies rec'd_____ List ABCDE August 18, 1993 in this proceeding ("Nondominant Filing Order"). Such restoration became necessary because the Court in Southwestern Bell vacated the Commission's Nondominant Filing Order in its entirety even though the range rate provision was the only rule challenged by the petitioners and the only provision addressed by the Court in its decision. See Southwestern Bell, 43 F.3rd at 1517; September 27 Order at ¶1.

The September 27 Order also corrects an oversight regarding the amendments to Section 43.51 of the Commission's Rules, 47 CFR \$43.51 which were adopted in the Nondominant Filing Order.

Specifically, the Commission amended Section 43.51 governing the filing of carrier-to-carrier contracts by nondominant carriers by deleting references therein to the Commission's forbearance policies. Such action by the Commission became necessary in the wake of the D.C. Circuit's decision in AT&T v. FCC, 978 F.2d 727 (D.C. Cir. 1992) cert. denied, MCI v. AT&T, 113 S.Ct. 3020 (1993) which found that the Commission's forbearance policies were ultra vires. Apparently, the amendments, as subsequently corrected by an Erratum issued August 31, 1993, were not included in the Federal Register publication of the Erratum and therefore do not currently appear in the Code of Federal Regulations. September 27 Order at ¶18¹

¹ The September 27 Order also disposes of the petition for partial reconsideration of the *Nondominant Filing Order* filed by

Footnote continues on next page

Plainly, the September 27 Order neither sets forth new policy nor adopts new rules. It is, in effect, a procedural order rather than one of substance. Nonetheless, SBC and Bell Atlantic challenge the September 27 Order on substantive grounds.

SBC argues that because the Commission's September 27 Order fails to address its challenge to the dominant/nondominant scheme, such Order "perpetuates a key error that infected the Nondominant Filing Order." Petition at 3. SBC complains that the Commission still has not explained how the application of different tariffing requirements to different groups of competitors operating in the same markets is in the public interest and has not "confronted the obvious inconsistency" between the assumptions underlying its long-standing dominant/nondominant classification system and "the animating premise of this proceeding -- that competition has developed in both the interstate and local exchange markets." Id. SBC's argument here ignores the fact that "the scope of this proceeding did not include ... modification of the dominant/nondominant regulatory dichotomy." Nondominant Filing Order at 6754, footnote omitted. As the Commission explained, the only purpose of this proceeding "was to consider the

Ad Hoc Telecommunications Users Committee and the motion for partial stay filed by AT&T. Neither Bell Atlantic nor SBC seek reconsideration of the Commission's rulings on the Ad Hoc petition or the AT&T motion.

appropriate tariff filing requirements for carriers affected by the decision of the District of Columbia Circuit invalidating the Commission's 'forbearance' rules." *Id.*, footnote omitted. Thus, because the regulatory obligations imposed upon dominant carriers were not affected by the Court's decision and because "[n]othing in that decision suggested that the Commission also should take another look at the dominant and nondominant categories," Brief of the Federal Communications Commission in *Southwestern Bell* filed February 18, 1994 at 33, it simply was not necessary for the Commission to revisit its dominant carrier regulation and perhaps reclassify certain dominant carriers as nondominant.

SBC insists, however, that the Southwestern Bell Court "made clear that the Commission can no longer sidestep the issue" of whether its dominant/nondominant dichotomy remains valid.

Petition at 3. In support, SBC cites language in a footnote in the decision in which the Court, in dismissing SBC's claim that the "FCC should reconsider the dominant/nondominant distinction," stated that "[a]ny subsequent agency rules that attempt to apply this dominant/nondominant distinction may give rise to Southwestern's claim and may provide a more appropriate context in which to consider it." 43 F.3rd at 1525 n. 7. This statement can hardly be considered an unequivocal mandate to the Commission. Certainly the plain language of the footnote does not instruct the Commission to address SBC's challenge to the dominant/nondominant classification system in this proceeding.

The Court simply stated that it would not consider such challenge in the case before it and advised that another proceeding "may provide a more appropriate context." It did not suggest that the instant proceeding would provide such "appropriate context" or, for that matter, that the Commission had to review the issue at all.²

In fact, this case does not provide an "appropriate context" in which to review the Commission's dominant/nondominant regulatory regime since the merits of such regime were not at issue here. As the Commission has emphasized, the sole purpose of this proceeding was to adjust the tariff filing rules applicable to nondominant carriers. Thus, the Commission was not "attempt[ing] to apply this dominant/nondominant distinction" by changing the regulatory classification of carriers who may now be dominant or nondominant or perhaps by modifying the criteria used to classify carriers as dominant or nondominant.

In any case, this case would be a particularly inappropriate vehicle to re-examine the application of the dominant/nondominant

There is nothing in the Court's decision or in the language relied upon by SBC that the Court views the dominant/nondominant carrier dichotomy with suspicion. On the contrary, in prior decisions, the D.C. Circuit recognized (with apparent favor) the Commission's dominant/nondominant regulatory regime, MCI v. FCC, 765 F.2d 1186, 1196 (D.C. Cir. 1985), and endorsed the policy objectives such regime was designed to foster. AT&T v. FCC, 978 F.2d 727 at 736 (D.C. Cir. 1992) cert. denied, 113 S.Ct. 3020 (1993). It is highly unlikely that the Court would have disagreed with such prior decisions sub silentio and in a footnote.

classifications because SBC has failed to provide any convincing reason why it should be entitled to nondominant status. Although it claims that the telecommunications market has changed in the 15 years since the Commission adopted its dominant/nondominant regulatory scheme, it does not deny that it retains control of bottleneck local exchange facilities which served as the basis for its dominant classification in the first place. See, e.g., Competitive Carrier Rulemaking, 85 FCC 2nd 1, 22-24 (1980). Its entire argument for nondominant status is based on the notion that if streamlined tariff filing requirements fosters competition, such streamlining should, as a matter of logic and the public interest, be applied to all carriers. Petition at 3-This argument is absurd. It is not illogical or contrary to the public interest for the Commission to impose different regulatory requirements upon carriers not similarly situated in the marketplace. This is especially true where one group of carriers possesses substantial market power and requires a greater degree of regulatory scrutiny in order to ensure that they do not exploit their market power to the detriment of the

³ SBC argues that the Commission has found that local exchange carriers face "significant competition" in their markets. In support, it refers to certain pages in the NPRM and Nondominant Filing Order issued by the Commission in this proceeding. Petition at 4. It does not, however, quote any language from either the Notice or Memorandum Order setting forth such alleged finding. Nor could it since the Commission has not found that local exchange carriers are subject to significant competition in their markets.

public. Competition is enhanced by the Commission's ability to concentrate its limited resources on efforts to guard against such exploitation by dominant carriers and not, as SBC would have it, by streamlining regulation for all carriers regardless of their market power.

In sum, nothing in SBC's petition here or in its previous filings requires that the Commission reassess its dominant/nondominant carrier distinction. If anything, SBC's inability to provide any data demonstrating that it no longer possesses market power and the fact that its challenge to such classification system rests upon the "logic of the Competitive Carrier Order itself," Petition at 8, confirms that its classification as a dominant carrier remains valid and there is no need to revisit or reconsider the regulatory approach adopted in the Competitive Carrier proceeding.

Similarly, there is no need to grant Bell Atlantic's reconsideration petition. Bell Atlantic argues that the Commission's decision to exempt nondominant carriers from filing copies of their contracts with other carriers exceeds the Commission's statutory authority and cannot stand. Petition at 1. However, such "exemption" was not adopted in the Commission's September 27 Order. Rather, as Bell Atlantic appears to acknowledge, the Commission modified its rules eliminating certain reporting requirements then imposed upon nondominant carriers, including the requirement that they file their

contracts with other carriers, in 1986. See Bell Atlantic
Petition at 3 n. 7, citing Amendment of Sections 43.51, 43.52,
43.53, 43.54 and 43.74 of the Commission Rules to Eliminate
Certain Reporting Requirements, 1 FCC Rcd 933 (1986). The
Commission's September 27 Order simply eliminated the references
in the rule to forborne carriers. Thus, since the September 27
Order did not adopt the rule complained of by Bell Atlantic, it
is not subject to reconsideration requested by Bell Atlantic. If
Bell Atlantic believes that the Commission's long-standing rule
setting forth the filing requirements for nondominant carriers
needs to modified in some respects, it should file a petition for
rulemaking requesting such modification.

For the reasons set forth above, the Commission should deny the petitions for reconsideration of SBC and Bell Atlantic.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY L.P.

Leon M. Kestenbaum

Michael B. Fingerhut

/1850 M Street, N.W. 11th Floor

Washington D.C. 20036

202-828-7438

Its Attorneys

January 8, 1996

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Opposition of Sprint** was sent by United States first-class mail, postage prepaid, on this the **State** day of January, 1996, to be parties on the attached list:

Christine **G**ackson

January 2, 1996

Albert H. Kramer
Robert F. Aldrich
Keck, Mahin & Cate
American Public Communications
Council
1201 New York Ave., N.W.
Penthouse Suite
Washington, DC 20005-3919

Rosemary C. Harold ARINC 1776 K Street, N.W. Washington, DC 20006

Heather Burnett Gold
Association for Local
Telecommunications Services
1150 Connecticut Ave., N.W.
Suite 1050
Washington, DC 20036

Albert Halprin
Melanie Haratunian
Halprin, Temple & Goodman
Avis Rent A Car System, Inc.
1301 K Street, N.W.
Suite 1020, East Tower
Washington, DC 20005

Floyd S. Keene Mark R. Ortlieb Ameritech 2000 W. Ameritech Center Drive Room 4H84 Hoffman Estates, IL 60196-1025

James S. Blaszak
Patrick J. Whittle
Gardner, Carton & Douglas
Ad Hoc Telecommunications Users
Committee
1301 K Street, N.W.
Suite 900, East Tower
Washington, DC 20005

Prancine J. Berry R. Steven Davis Roy E. Hoffinger AT&T 295 North Maple Ave., Rm. 3244J1 Basking Ridge, NJ 07920 Michael D. Lowe Lawarnce W. Katz Edward D. Young, III Atlantic Telephone Companies 1710 H Street, N.W. Washington, DC 20006

William B. Barfield Richard M. Sbaratta Rebecca M. Lough BellSouth Telecommunications, Inc. 1155 Peachtree St., NE, Ste. 1800 Atlanta, GA 30367-6000 Michael F. Altschul Michael C. Farquha Cellular Telecommunications Industry Association Two Lafayette Centre, Ste. 300 1133 21st Street, N.W. Washington, DC 20036 Randolph J. May Richard S. Whitt Sutherland, Asbill & Brennan Capital Cities/ABC, Inc.; National Broadcasting Company, Inc. 1275 Pennsylvania Ave., N.W. Washington, DC 20004 Sam Antar Capital Cities/ABC, Inc. 77 West 66th Street New York, NY 10023

Howard Monderer National Broadcasting Company, Inc. Suite 930, North Office Bldg. 1331 Pennsylvania Ave., N.W. Washington, DC 20004

W. Bruce Hanks Century Cellunet, Inc. 100 Century Park Avenue Honroe, LA 71203

Danny E. Adams
Michael K. Baker
Wiley, Rein & Fielding
Competitive Telecommunications
Association
1776 K Street, N.W.
Washington, DC 20006

Genevieve Morelli Competitive Telecommunications Association 1140 Connecticut Ave., N.W. Ste. 220 Washington, DC 20036

Ellen S. Deutsch Electric Lightwave P.O. BOX 4959 Vancouver, WA 98662 Philip v. Otero Alexander P. Humphrey GE American Communications, Inc. 1331 Pennsylvania Ave., N.W. Washington, DC 20004

Kathy L. Shobert General Communications, Inc. 888 16th St., N.W., Ste. 600 Washington, DC 20006 Brian R. Moir Fisher, Wayland, Cooper & Leader International Communications Association 1255 23rd St., N.W., Ste. 800 Washington, DC 20037-1170 Joseph P. Markoski Andrew W. Cohen Squire, Sanders & Dempsey 1201 Pennsylvania Ave., N.W. P.O. BOX 407 Washington, DC 20044 Stuart Dolgin, Esq.
Local Area Telecommunications, Inc.
17 Battery Place, Ste. 1200
New York, NY 10004

Catherine Wang, Esq. Swidler & Berlin, Chartered Local Area Telecommunications, Inc. 3000 K Street, N.W. Washington, DC 20007

Steven J. Hogan LinkUSA Corporation 230 Second St., S.E., Ste. 400 Cedar Rapids, IA 52401

Martin W. Bercovici Keller and Heckman Mobile Marine Radio, Inc. 1001 G. St., N.W., Ste. 500 West Washington, DC 20001 Donald J. Elardo MCI Telecommunications Corporation 1801 Pennsylvania Ave., N.W. Washington, DC 20006

Andrew D. Lipman
Jonathan E. Canis
Swidler & Berlin, Chartered
Cindy Z. Schonhaut
MFS Communications Company, Inc.
3000 K St., N.W., Ste. 300
Washington, DC 20007

Scott K. Morris McCaw Cellular Communications, Inc.; 5400 Carilon Point Kirkland, WA 98033

Cathleen A. Massey
McCaw Cellular Communications, Inc.
1250 Connecticut Ave., N.W.
Suite 401
Washington, DC 20036

David Cosson L. Marie Guillory National Telephone Cooperative Association 2626 Pennsylvania Ave., N.W. Washington, DC 20037 Patrick A. Lee
Edward E. Niehoff
New York Telephone Company
New England Telephone and Telegraph
Company
120 Bloomingdale Road
White Plains, NY 10605

Anne P. Jones
David A. Gross
Sutherland, Asbill & Brennan
PacTel Corporation
1275 Pennsylvania Ave., N.W.
Washington, DC 20004

Walter Steimel, Jr.
Fish & Richardson
Pilgrim Telephone, Inc.
601 13th St., N.W., 5th Fl. North
Washington, DC 20005

James Tuthill
John W. Bogy
Pacific Bell and Nevada Bell
140 New Montgomery St., Rm. 1530-A
San Francisco, CA 94105

David C. Jatlow Young & Jatlow RGT Utilities, Inc. 2300 N St., N.W., Ste. 600 Washington, DC 20037 Carl W. Northrop
Bryan Cave
PacTel Paging; Arch Communications Group,
Inc.; AACS Communications, Inc.; Centrapage,
Inc.; Crowley Cellular Communications, Inc.;
Kelley's Tele-Communications; Munn's
Communications Services, Inc.; Radio
Electronic Products Corporation
700 13th St., N.W., Ste. 700
Washington, DC 20005

Brian D. Kidney Pamela J. Riley PacTel Corporation 2999 Oak Rd., MS 1050 Walnut Creek, CA 94569

Randall B. Lowe, Esq. Hary E. Brennan, Esq. Jones, Day, Reavis & Poque Penn Access Corporation 1450 G Street, N.W. Washington, DC 20005-2088

James L. Wurtz Pacific Bell and Mevada Bell 1275 Pennsylvania Ave., N.W. Washington, DC 20004

Josephine S. Trubek RCI Long Distance, Inc. and Rochester Telephone Mobile Communications 180 South Clinton Ave. Rochester, NY 14646 James D. Ellis
David Brown
Room 1262
175 E. Houston
San Antonio, Texas 78205
Counsel for SBC
Communications Inc.

Robert M. Lynch
Durward D. Dupre
Thomas A. Pajda
SBC Communications Inc.
Room 3520
One Bell Center
St. Louis, Missouri 63101

R. Michael Senkowski
Jeffrey S. Linder
Michael K. Baker
Wiley, Rein & Fielding
Tele-Communications Ass'n
1776 K Street, N.W.
Washington, D.C. 20006

Thomas A. Stroup Mark Golden Telocator Suite 1100 1019 19th St., N.W., Washington, D.C. 20036 Mark L. Evans
Austin C. Schlick
Geoffrey M. Klineberg
Kellogg, Huber, Hansen,
Todd & Evans
Suite 500 East
1300 I Street, N.W.
Washington, D.C. 20005

J. Manning Lee
Teleport Communications Group
1 Teleport Drive, Suite 301
Staten Island, NY 10311

Spencer L. Perry, Jr.
Telecommunications Resellers
Association
P.O. Box 5090
Hoboken, NJ 07030

Martin T. McCue Linda Kent United States Telephone Ass'n 900 19th St., N.W., Suite 800 Washington, D.C. 20006-2105